

MEDIA PARTNERS INTERNATIONAL HOLDINGS INCORPORATED :
THE OFFER PRICE REPRESENTS AT LEAST 85 TIMES EARNINGS

Of the 3 outdoor advertising companies to go public on stock markets of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), during the past few months, it is difficult to determine which of the 3 is the worst of the bunch, but Media Partners International Holdings Incorporated (Code: 8072, The Growth Enterprise Market [The GEM] of The Stock Exchange of Hongkong Ltd) should be right up there, alongside MediaNation Incorporation (Code: 8160, The GEM of The Stock Exchange of Hongkong Ltd).

Clear Media Ltd (Code: 100, Main Board, The Stock Exchange of Hongkong Ltd), which went public on December 10, 2001, is, in TARGET's opinion, the best of the bunch, but which of the other 2 companies ranks last in line may be open to a little discussion (but only a little, mind you).

Because neither MediaNation nor Media Partners appears to be much cop.

(For full analysis of MediaNation, please see [TARGET Intelligence Report, Volume IV, Number 16, published on January 23, 2002](#))

Media Partners pitched its story on January 15, 2002, when it sought to Place 213.80 million, 10-cent shares at a Premium of between \$HK1.25 per share and \$HK1.62 cents per share.

That was the dream of the Chan Family, which is a powerful and very rich HKSAR family, controlling publicly listed Hang Lung Group Ltd (Code: 10, Main Board, The Stock Exchange of Hongkong Ltd), Grand Hotel Holdings Ltd (Code: 195, Main Board) and Hang Lung Properties Ltd (Code: 101, Main Board).

However, following the MediaNation's debacle, when only 60 applications for shares in this company, representing about 20 percent of the total number of shares on offer, were received, the Sponsor of Media Partners announced on Thursday, January 24, that the Minimum Offer Price for the shares would be cut to \$HK1.10 per share.

Which, all things considered, is still a terribly high price to pay for the shares of this Company, the intermediate prospects of which are certainly not good, at all.

The market for shares in outdoor advertising companies in the Greater China Region has soured, considerably, following revelations that the Founding Shareholders and the Principal Shareholders of MediaNation, all of them, that is, wanted to sell 50 percent or more of their holdings to whoever was available with cash.

Media Partners has been around much longer than the other 2 outdoor advertising companies, since 1986, in fact, according to the Prospectus at Page One.

During those 16 years, it has managed to do very poorly; there is every prospect of it continuing along its chosen path.

The Placing Prospectus, at Page 163, gives an indication of the Company's financial results of the past 30 months, to June 30, 2001:

	Financial Year ended December 31	Six Months to June 30
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	1999	2000	2001
	All Figures are Denominated in \$HK'000		
Turnover	149,184	220,461	118,753
Other Revenue	1,757	8,447	13,130
Other Net Income/(Loss)	(2,963)	(88)	1,697
Operating Expenses:			
Site Rental and Other Direct Costs	(108,261)	(142,811)	(82,353)
Staff Costs	(19,732)	(22,623)	(12,514)
Depreciation and Amortisation	(24,009)	(33,394)	(17,894)
Other Operating Expenses	(20,507)	(12,373)	(6,225)
Profit/(Loss) from Operations	(24,531)	17,619	14,594
Financing Costs	(1,413)	(4,095)	(3,693)
Share of Profits less Losses of an Associate	Nil	Nil	2,820
Share of Profits less Losses of Jointly Controlled Entities	Nil	4,638	2,674
Profit/(Loss) from Ordinary Activities before Taxation	(25,944)	18,162	16,395
Taxation	(1,545)	(6,155)	(5,587)
Profit/(Loss) from Ordinary Activities after Taxation	(27,489)	12,007	10,808
Minority Interests	(625)	(2,339)	(1,345)
Profit/(Loss) Attributable to Shareholders	(28,114)	9,668	9,463

While the above table, at first glance, may appear to fly in the face of that which TARGET has suggested in earlier paragraphs, in respect of this Company, having not done well over the years, subscribers ... [CLICK TO ORDER FULL ARTICLE](#)

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